



16711/TAIP Program
D8(m) Policy Ltr 2-2001
25 January 2001

From: Commander, Eighth Coast Guard District
To: Distribution

Subj: TANK BARGE ALTERNATE INSPECTION PROTOCOL (TAIP)

1. **PURPOSE:** The purpose of this policy letter is to implement a Tank Barge Alternate Inspection Protocol (TAIP) pilot program for the Eighth Coast Guard District. This is an optional program for companies that own and operate unmanned U. S. flag tank barges. Companies that enroll their barges in this program can reduce operational delays by having designated individuals within their company perform the annual ("topside") inspections. The company will be permitted to conduct these inspections on all barges regardless of route, and the Coast Guard will only require a small percentage of the company's barge fleet to be made available each year for random oversight inspections by a Coast Guard Marine Inspector. For inland tank barges, the company will also be allowed to make temporary repairs for minor damage without having to obtain Coast Guard approval. The goal of this program is to reduce costly delays for the barge industry, and reduce workload and travel expenses for the Coast Guard, while still ensuring regulatory compliance for all barges with no compromise to safety.

2. **DIRECTIVES AFFECTED:** None.

3. **BACKGROUND:**

a. In 1992 the Maritime Regulatory Reform Initiative challenged the Coast Guard to re-evaluate its regulatory program and develop alternatives that provide flexibility to vessel owners and operators while ensuring the same levels of safety and statutory compliance. As a result, the Eighth Coast Guard District pursued the "model company" concept. Representative companies from the inland barge, passenger vessel, and offshore supply vessel industries each embarked on efforts, in cooperation with the Coast Guard, to develop an alternative process for vessel inspection. While all three entities participating in this effort designed their own innovative programs, the Streamlined Inspection Program (SIP) developed by the offshore supply vessel industry was chosen as the template for the Eighth Coast Guard District pilot program.

b. Due to the success of the SIP and in response to requests from the Passenger Vessel Association, the Eighth Coast Guard District sought to expand the SIP to a national program for all U.S. flag inspected vessels. The national SIP was implemented on August 18, 1998, by 46 CFR 8.500. The objective of the national SIP was to formalize an alternate inspection program that provided for a continual state of regulatory compliance while reducing Coast Guard time onboard vessels. While the national SIP fulfilled its objective with respect to crewed vessels, it failed to consider the unique nature of the unmanned tank barge industry. In response to this, the Eighth Coast Guard District established a Quality Action Team (QAT) to study and develop an alternative inspection scheme specifically for the barge industry. The efforts of the QAT resulted in the policy and procedures put forth in this policy letter and the TAIP Guide, enclosure (1).

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4. **DISCUSSION:**

a. **BASIS FOR PROGRAM:** Congress granted the Coast Guard broad authority to implement alternate inspection programs in the Coast Guard Authorization Act of 1996. By adding 46 U.S.C. § 3103 and amending § 3308 and § 3714, Congress gave the Coast Guard flexibility to allow companies to conduct self-inspection programs. Furthermore, the definition of a *Marine Inspector* in 46 CFR 30.10-43 includes a provision that an Officer in Charge, Marine Inspection (OCMI) may designate someone other than a Coast Guard employee to conduct vessel inspections. Exercising this discretion, an OCMI may designate qualified individuals from within a responsible and well-managed barge company to perform the annual “topside” inspections required by 46 CFR 31.10-17. These designated individuals may also be authorized to oversee and approve temporary repairs for minor damage. This streamlining effort, though not entirely a self-inspection program, meets the Coast Guard objective to ensure regulatory compliance while meeting the industry desire for reduced delays and maximum flexibility of their operational schedule.

b. **ENROLLMENT:** The TAIP program is not suitable for every company, and unless it is clear that a company is responsible and well managed it will not be allowed to enroll and participate in the program. This program is intended for companies, regardless of size, with an absolute commitment to safety and which employ capable and dedicated maintenance and operations personnel. The initial time and effort necessary to establish a TAIP program may be considerable, and the program must receive the full backing of senior company management to ensure its success. Companies that choose to participate in this program must successfully complete the following enrollment process, and a detailed explanation of this process is contained in Section III of enclosure (1).

- (1) **Application (and Evaluation):** First, the company must show they are a proactive, responsible, and well-managed company with a good inspection history and a commitment to safety. The Coast Guard will review inspection records for the company’s barge fleet from the past three years to help make this determination.
- (2) **Plan Development:** Once the Coast Guard has determined the company is eligible for the TAIP, the company will be permitted to enter the plan development phase. At this time the company must develop a Company Action Plan (CAP) for their organization. They must also develop a Tank Barge Action Plan (TAP) for each barge, although one TAP may be adequate to cover a “class” of similar barges.
- (3) **Operational Evaluation:** The company will then undergo an operational evaluation period to determine if the CAP and TAP(s) are suitable; to ensure that company’s designated inspectors can properly perform their inspection duties; and to test the company’s management practices to see that the inspections are being satisfactorily completed and all discrepancies are being tracked and promptly corrected.

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- (4) Enrollment: Once the OCMI is satisfied with the company's TAIP program, the OCMI will enter an endorsement on the Certificate of Inspection (COI) for each barge to indicate it is enrolled in the TAIP program. The exact wording of this endorsement is provided in Section 4.d.3, on page 5 of this policy letter.
- c. KEY PLAYERS: Personnel shall be designated to fill the following roles to ensure that the TAIP program is understood and properly implemented.

- (1) Company TAIP Representative: The primary contact point for the TAIP program within a tank barge company is designated the "Company TAIP Representative." The role of the Company TAIP Representative is to:
- i. Develop, implement, and update (as appropriate) the CAP and TAP(s),
 - ii. Ensure the "Company TAIP Examiners" are properly trained, qualified, and have obtained a Designation Letter from the OCMI,
 - iii. Track and schedule the appropriate inspections and examinations for all barges enrolled in the TAIP program,
 - iv. Maintain all TAIP-related files and records,
 - v. Ensure the TAIP program is being properly implemented:
 - (a) Inspections are being properly conducted on all enrolled barges, in accordance with the provisions of this program,
 - (b) Corrective actions are being promptly taken for any deficiencies, and
 - (c) Temporary repairs are being properly reported, documented, and monitored; repair procedures are completed in accordance with TAIP policy; and permanent repairs are being completed in a timely manner.
- (2) Company TAIP Examiner(s): Any properly trained and qualified individual within a barge company who is authorized by the OCMI to conduct the annual "topside" inspections and approve temporary repairs shall be designated a "Company TAIP Examiner." The Company TAIP Representative can serve as a Company TAIP Examiner, but others may also be qualified and designated as such. Once the OCMI is satisfied that an individual is properly trained and qualified, the OCMI shall issue a letter to designate them as a Company TAIP Examiner. To qualify in this capacity, an individual must either:
- i. Demonstrate satisfactory completion of appropriate sections of the Coast Guard Barge Inspector (BI) Marine Safety Training and Qualification booklet,

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- ii. Demonstrate satisfactory completion of an equivalent qualification booklet, developed by the company and approved by the OCMI, or
 - iii. Already have demonstrated competency as an inspector under a prototype Streamline Inspection Program.
- (3) USCG TAIP Advisor: This is the Coast Guard's counterpart to the Company TAIP Representative. Each OCMI shall designate at least one person to be the USCG TAIP Advisor for their inspection zone. These Advisors will need to be thoroughly familiar with this policy letter and the guidance provided in enclosure (1). They should be prepared to assist any companies seeking enrollment and participation in the TAIP program. Also, they will be responsible for coordinating and monitoring TAIP oversight activities, as discussed later in this policy letter.

d. INSPECTIONS: Traditionally, Coast Guard Marine Inspectors performed all annual inspections, as mandated by law. However, as discussed in paragraph 4.a the law has been changed, and under the TAIP the Coast Guard will no longer inspect every barge each year because the Company TAIP Examiners will now conduct all annual "topside" inspections. Also, an annual inspection by a Company TAIP Examiner will be accepted in lieu of the "periodic" inspection required by 46 CFR 31.10-17(b) *, since these annual inspections combined with the Coast Guard oversight discussed in Section 4.e.2 are considered equivalent to conducting the periodic inspection. The Coast Guard will conduct all inspections to issue or renew a COI, as well as all Drydock Exams, Internal Structural Exams, and Cargo Tank Internal Exams.

- (1) Company Roles/Responsibilities: The Company TAIP Examiners shall conduct the annual inspection required by 46 CFR 31.10-17(a) on each barge enrolled in TAIP. This inspection (often called a "topside" inspection and previously referred to as a "reinspection"), has the same scope as the inspection for certification but in less detail unless deficiencies or major changes in the vessel's condition are found. If deficiencies or major changes in the vessel's condition are found, the Company TAIP Examiner shall conduct a more detailed inspection to ensure the vessel is in satisfactory condition and fit for the service for which it is intended. The Company TAIP Examiners shall inspect each barge in accordance with its TAP, and any deficiencies shall be documented and promptly corrected.
- (2) Coast Guard Roles/Responsibilities: The Coast Guard will retain its responsibility to conduct the inspection for certification on all enrolled barges. This means a Coast Guard Marine Inspector will inspect all new barges to issue the initial COI, and conduct an inspection every five years * to renew the COI for each barge. The Coast Guard will also retain its responsibility to carry out all structural inspections required by 46 CFR 31.10-21, including the Drydock Exam (DDE), the Internal Structural

* The requirement for annual and periodic inspections and the 5 year COI interval were put into effect by the Final Rule on "Frequency of Inspection," published in Federal Register Vol. 65, No. 27, dated February 9, 2000.

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Exam (ISE), and the Cargo Tank Internal Exam (CTIE). The inspection to renew a COI should be scheduled to coincide with the DDE, ISE, and/or CTIE whenever possible, even if it means conducting the COI inspection a year or two early to synchronize these inspection cycles.

- (3) TAIP Homeport OCMI: The OCMI that enrolls a company and its barge fleet into the TAIP program (i.e., approves their CAP and TAP(s), designates the Company TAIP Examiners, etc.) will be identified as the “TAIP Homeport OCMI.” The TAIP Homeport OCMI will place the following endorsement on the COI of all barges owned and operated by the company that are enrolled in the TAIP program:

“THIS TANK BARGE IS PARTICIPATING IN THE EIGHTH COAST GUARD DISTRICT’S TANK BARGE ALTERNATE INSPECTION PROTOCOL (TAIP) PILOT PROGRAM. INSPECTION ACTIVITIES ABOARD THIS BARGE SHALL BE CONDUCTED IN ACCORDANCE WITH ITS TANK BARGE ACTION PLAN (TAP). INSPECTION ISSUES CONCERNING THIS BARGE SHOULD BE DIRECTED TO [NAME OF TAIP HOMEPORT OCMI].”

- (4) Barges Operating in Multiple OCMI Zones: When a barge enrolled in the TAIP program is operating outside of the TAIP Homeport OCMI’s zone and is due for a COI, DDE, ISE, and/or CTIE, the local OCMI may conduct these inspections and reissue the COI. The new COI should be issued by and have the signature of the local OCMI, but shall retain the endorsement listed above to identify the TAIP Homeport OCMI. The local OCMI shall notify the TAIP Homeport OCMI if they will be making any modifications to the wording of the COI due to local policy, and give the TAIP Homeport OCMI the option of issuing the COI themselves to maintain a “standardized” COI for each their TAIP barges.
- (5) Inspection Issues and Serious Deficiencies: Any inspection issues and serious deficiencies identified by an OCMI other than the TAIP Homeport OCMI shall be brought to the attention of the TAIP Homeport OCMI, especially if they call into question the suitability of the TAP or the competency of a Company TAIP Examiner. A “Notice of Merchant Marine Inspection Requirements” (CG-835) should not be issued unless serious deficiencies are found that dictate Coast Guard follow-up. Minor deficiencies should be recorded, tracked and corrected in accordance with the barge’s TAP. Authority for removing an individual barge from the program rests with the TAIP Homeport OCMI. Authority for removing a company and its entire fleet of barges from the program rests with the District Commander, and shall be considered upon recommendation of the TAIP Homeport OCMI. For guidance on remedial action and disenrollment procedures see Section VI, Part B of enclosure (1).

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e. OVERSIGHT: Although the Coast Guard will not conduct annual inspections on the barges, they will board a random sampling of 20% of the barge fleet each year to ensure the barges are being properly inspected and maintained in a continual state of regulatory compliance. They will also conduct an annual administrative review of the company's TAIP-related paperwork, and will audit each Company TAIP Examiner to ensure they are properly carrying out their inspection duties. The Coast Guard will also perform oversight on the company's temporary repair practices, as discussed in Section 4.f of this policy letter.

- (1) Company Roles/Responsibilities: The Company TAIP Representative shall assist the Coast Guard in scheduling and conducting annual oversight activities. Also, the Company TAIP Representative shall track all temporary repairs made to inland barges and summarize these repairs in an annual report that is submitted to the TAIP Homeport OCMI. More details about this report are provided in Section 4.f.3, on page 8 of this policy letter.
- (2) Coast Guard Roles/Responsibilities: Oversight of the TAIP program will be carried out as detailed in Section VI, Part B of enclosure (1). The Coast Guard shall perform the following annual oversight activities:
 - i. Conduct an administrative review of the company's TAIP program – reviewing all of the company's TAIP-related files and paperwork,
 - ii. Randomly select 20%¹ of the company's barge fleet and perform an oversight inspection on these barges to see that the company is maintaining them in a continual state of regulatory compliance, and
 - iii. Conduct a performance review (audit) on each designated Company TAIP Examiner to see that they are properly carrying out their inspection duties, and to provide them with any updates on inspection policies, regulations, and laws.²

The USCG TAIP Advisor will coordinate and monitor these oversight activities, but other Coast Guard Marine Inspectors may be utilized to carry out the actual inspections and audits. Also, the company is required to submit an annual report on all temporary repairs made to their inland barges to the TAIP Homeport OCMI, who will review this report to see if the repair practices are acceptable. More details on this report are provided in Section 4.f.3, on page 8 of this policy letter.

¹ The 20% that are selected should be in addition to, and separate from, any barges that will be undergoing Coast Guard inspection for a COI, DDE, ISE, or CTIE that particular year. Also, the majority of the barges selected for oversight should not be ones that were boarded by the Coast Guard the previous year.

² These audits can be conducted simultaneously while performing the oversight inspections on 20% of the barge fleet.

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- (3) Coordination of TAIP Oversight: In the course of carrying out the annual TAIP oversight, the TAIP Homeport OCMIs may need to contact and coordinate inspection activities with other OCMIs. This may be necessary for conducting audits on Company TAIP Examiners located outside the zone of the TAIP Homeport OCMIs, and for conducting oversight inspections if a large portion of the company's barge fleet is located outside of that OCMIs' zone. The Company TAIP Representative shall assist the USCG TAIP Advisor in determining what oversight inspections and audits will be conducted, and shall schedule these oversight inspections and audits with the appropriate OCMIs. Each OCMIs will document their oversight inspections by making appropriate computer database entries, using the Marine Safety Information System (MSIS) or Maritime Safety Network (MSN). For more details on database entries see Section IV, Part E of enclosure (1).

f. TEMPORARY REPAIRS: Another streamlining measure provided by the TAIP program is a provision allowing barge companies to make temporary repairs for minor damage on INLAND BARGES ONLY without having to obtain Coast Guard approval. This is particularly beneficial when damage occurs in the middle of the night or in a remote region. If the barge is enrolled in TAIP, then temporary repairs may be completed and the tow may proceed without having to wait for a Coast Guard Marine Inspector to arrive on scene and grant approval for the repairs. Ordinarily, Coast Guard approval is required before any repairs may be completed to an inspected vessel.

- (1) General Policy: For inland barges enrolled in TAIP, the company will not need to obtain Coast Guard approval for temporary repairs if the damage is:
- i. "Minor" damage; more specifically, damage that is not severe enough to be reportable as a marine casualty per 46 CFR 4.05-1, and
 - ii. Damage that does not involve cargo tanks.

Otherwise, the Coast Guard shall be contacted immediately and must approve any repairs. All temporary repairs made under the TAIP shall conform to the procedures and restrictions contained in Section VII of enclosure (1). Each company should standardize their repair procedures, but a Company TAIP Examiner may provide specific approval for a temporary repair. The company is required to notify the local OCMIs within 24 hours of whenever any damage occurs, provide documentation on the damage and temporary repairs, and indicate the destination of the barge (where the cargo will be discharged). This gives the OCMIs the option of conducting an inspection once the barge arrives in port to discharge its cargo, and at that time the OCMIs may require more extensive temporary repairs or permanent repairs to be completed.

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- (2) Follow-up Action & Permanent Repairs: The company is required to monitor the temporary repairs, and if there is any evidence of failure they shall immediately notify the Coast Guard and effect permanent repairs. The company is also required to track all temporary repairs made to its barge fleet, and provide a report to the Coast Guard each March to summarize all the temporary repairs. Details on this report are provided below. Permanent repairs should be completed at the first convenient opportunity for the company. Within 45 days of when the damage occurs, the company shall either complete permanent repairs or else obtain approval from the TAIP Homeport OCMI to defer permanent repairs for a mutually agreed upon timeframe (usually until the next time the barge is gas-freed or the next annual inspection).
- (3) Annual Report: Once a year, on 15 March, all companies enrolled in the TAIP program shall submit a report to their TAIP Homeport OCMI summarizing all temporary repairs made to their barge fleet during the previous year. The report should include information such as the date and location of the barge at the time the damage occurred; the nature of the damage, including its location on the barge; the nature of the temporary repairs and whether they successfully held up; and the date and location that permanent repairs were completed. For more details on this report see Section VII, Part D, of enclosure (1). The Coast Guard will review the report and then discuss it with the Company TAIP Representative to determine if:
 - i. Repair practices are acceptable, or
 - ii. Improvements needed for the company's repair practices, and/or
 - iii. Additional training needed for the Company TAIP Examiners.

If any improvements or additional training are deemed necessary, the Coast Guard will collaborate with the Company TAIP Representative to determine an acceptable implementation plan.

5. **ACTION:**

- a. Effective immediately, OCMI's at each Eighth District Marine Safety Office (MSO) may use the guidance contained in this policy letter and enclosure (1) to implement the TAIP pilot program. This guidance should be provided to any interested tank barge companies, and a USCG TAIP Advisor shall be designated at each MSO to assist companies in establishing their TAIP program.
- b. OCMI's should closely track the performance of all companies enrolled in the TAIP. An OCMI may consider rewarding top-performing companies - those that clearly maintain their barges in a continual state of regulatory compliance - by reducing the amount of annual oversight discussed in Section 4.e.2 from 20% to 15%. Also, an OCMI may consider permitting greater

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latitude for the temporary repairs a company may complete without first obtaining the OCMI's approval, if that company has consistently been very proactive, prudent, and safe with its repair practices. On the other hand, for a marginally compliant TAIP company, the OCMI may consider taking probationary actions such as increasing the annual oversight to 25%, or limiting the scope of temporary repairs that are permitted without first obtaining the OCMI's approval.

6. **FEEDBACK**: After a suitable trial period the Commander, Eighth Coast Guard District may forward this program to the Commandant for consideration as a national program. Feedback on the TAIP program is welcomed by the Eighth Coast Guard District, D8(m), so that both successful aspects and shortcomings of the program can be identified.



G. D. MARSH
By direction

Encl: (1) Guide to the Tank Barge Alternate Inspection Protocol (TAIP)

Dist: All Eighth District MSOs, MSU and MSDs

Copy: LANTAREA (Am)
Commandant (G-MOC)